

733644

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 1994  
FOR  
FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

SMITH AND WILLIAMSON  
Chartered Accountants  
Old Library Chambers  
21 Chipper Lane  
Salisbury  
Wiltshire SP1 1BG



FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

INDEX TO THE FINANCIAL STATEMENTS

	Page
	----
Company Information	1
Report of the Council of Management	2
Report of the Auditors	3
Income and Expenditure Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 10

FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

COMPANY INFORMATION

Council of Management:

Mr G L Alexander  
Mrs M L Blake  
Mrs J M W Cansdale  
Rev R Drown  
Mr H M Evans  
Miss N A E Hibbert (resigned 18/4/94)  
Mr A W Honeysett (resigned 9/3/94)  
Mrs S Jones  
Mr C Knox  
Mrs S Reardon Smith  
Mr P Rogers (resigned 4/5/94)  
Mr J Singleton (Chairman)

Secretary:

Mrs L K Simkins (resigned 15/5/95)  
Mr C Knox (appointed 15/5/95)

Registered Office:

Fernhill Manor School  
New Milton  
Hampshire  
BH25 5JL

Registered Charity Number:

307328

Company Number:

733644

Auditors:

Smith and Williamson  
Old Library Chambers  
21 Chipper Lane  
Salisbury  
Wiltshire SP1 1BG

FERNHILL MANOR SCHOOL LIMITED  
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REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management submit their report and the audited financial statements for the year ended 31 August 1994.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company continued to be that of a day and boarding school for girls. The Council of Management are disappointed with the result for the year but are hopeful of a return to profitability in the future. The results for the year and state of the company's affairs are shown in the attached financial statements. The deficit transferred to reserves will be £23,825.

FIXED ASSETS

During the year the school purchased computers for a cost of £19,219. Further details of changes in fixed assets during the year are summarised in the notes to the accounts.

In the Governors' opinion, the market value of the land and buildings at the balance sheet date was considerably greater than the book value as shown in the balance sheet.

DIVIDENDS

The company is limited by guarantee and is not entitled to distribute dividends.

POST BALANCE SHEET EVENT

Please refer to note 16.

COUNCIL MEMBERS AND THEIR RESPONSIBILITIES

For the purpose of this report, directors are described as Council Members. The Council Members who held office during the year are listed on page 1. None of the Council Members receives any remuneration or benefits from the Company.

The Council Members retiring by rotation are Mrs M Blake, Mr C Knox and Mr J Singleton who, being eligible, will offer themselves for re-election.

Company law requires the council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the council members are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Smith and Williamson, have indicated their willingness to continue in office in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE COUNCIL

Member ..... *H M Evans* .....  
H M Evans

Dated: 28 June 1995

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page six and seven.

Respective Responsibilities of Council Members and Auditors

As described on page two the council members are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the council members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 1994 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SMITH AND WILLIAMSON  
Chartered Accountants  
Registered Auditor  
Old Library Chambers  
21 Chipper Lane  
Salisbury  
Wiltshire SP1 1BG

Dated: 29<sup>th</sup> June 1995.

FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 1994

	Note	1994		1993	
		£	£	£	£
FEES AND EXTRAS	2		1,114,804		1,239,823
Other Operating Income			15,495		23,369
			-----		-----
			1,130,299		1,263,192
Other External Charges		224,263		245,229	
Staff Costs	3	917,055		1,011,312	
Depreciation of Tangible Fixed Assets	7	15,013		14,996	
		-----		-----	
			1,156,331		1,271,537
			-----		-----
OPERATING DEFICIT			(26,032)		(8,345)
Fixed Assets Written Off	4		9,510		-
			-----		-----
			(35,542)		(8,345)
Interest Payable and Similar Charges	5	(533)		(1,599)	
Interest Receivable	5	12,250		13,237	
		-----		-----	
			11,717		11,638
			-----		-----
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES	5		(23,825)		3,293
RETAINED SURPLUS BROUGHT FORWARD			703,632		700,339
RETAINED SURPLUS CARRIED FORWARD			-----		-----
			£679,807		£703,632
			=====		=====

There were no recognised gains or losses in 1994 or 1993 other than the (deficit)/surplus for the year, and all operations are classed as continuing.

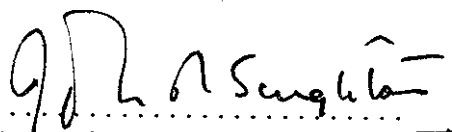
The notes form part of these financial statements.

FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

BALANCE SHEET  
AS AT 31 AUGUST 1994

	Note	1994	1993
		£	£
FIXED ASSETS			
Tangible Assets	7	618,398	621,059
CURRENT ASSETS			
Stocks	8	8,355	9,425
Debtors	9	72,912	42,549
Cash at Bank and in Hand		108,902	149,338
		-----	-----
		190,169	201,312
		-----	-----
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	127,652	117,188
		-----	-----
NET CURRENT ASSETS		62,517	84,124
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		680,915	705,183
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	11	1,108	1,551
		-----	-----
		£679,807	£703,632
		=====	=====
RESERVES			
Income and Expenditure Account		£679,807	£703,632
		=====	=====

Approved by the Council of Management on ..... 28 H June 1995  
and signed on their behalf by:

  
.....  
Mr J Singleton (Chairman)

The notes form part of these financial statements.

FERNHILL MANOR SCHOOL LIMITED  
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Accounting:

The financial statements have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards.

(b) Depreciation:

The council members do not consider it appropriate to depreciate the freehold school buildings. This is contrary to SSAP12. However, the property is maintained to ensure that its value does not diminish over time and the maintenance costs are charged to the income and expenditure account in the year incurred.

Depreciation is provided on tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Furniture, Fittings and Equipment	- 25% reducing balance basis
Heating Installation	- 10% straight line basis
Fire Precaution Work	- 10% straight line basis
Swimming Pool	- 10% straight line basis
Minibus	- 25% reducing balance basis
Office Computer	- 20% straight line basis
Equipment	- 25% reducing balance basis
School Computers	- 20% reducing balance basis

(c) Stocks:

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less selling costs.

(d) Leasing Commitments:

Finance Leases:

Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of these obligations is charged to the income and expenditure account over the relevant period and represents a proportion of the balance of capital repayments outstanding. The capital element of the future repayments is treated as a liability.

Operating Leases:

Rentals payable under operating leases are charged to the income and expenditure account on the straight line basis over the lease term.

(e) Pensions:

Fernhill Manor School Limited operates a defined contribution pension scheme for non-teaching staff.

A separate scheme is operated for teaching staff whereby contributions are paid to the Department of Education and Science.

Contributions payable for the year for both schemes are charged in the income and expenditure account (note 3).



FERNHILL MANOR SCHOOL LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

(f) Cash Flow Statement:

The company is a small company under the Companies Act and has taken advantage of the exemption relating to Cash Flow statements, and has not prepared a Cash Flow Statement (FRS 1).

2. FEES AND EXTRAS

Fees and extras represent charges made for school fees in respect of the year and include chargeable extras relating to that year, after deducting scholarships, bursaries and allowances.

The fees, extras and deficit are attributable to the one principal activity of the company.

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year was as follows:

	1994	1993
	No.	No.
Administration	5	6
Educational	35	37
Establishment	6	7
Housekeeping	31	33
	--	--
	77	83
	==	==

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and Salaries	798,913	882,534
Social Security Costs	61,595	67,256
Other Pension Costs	56,547	61,522
	-----	-----
	917,055	1,011,312
	=====	=====

4. FIXED ASSETS WRITTEN OFF

Phase IV Development	9,510	-
	=====	=====

5. DEFICIT FOR THE YEAR

is after charging:	1994	1993
	£	£
Finance Charges on Capitalised Finance Leases	533	1,599
Auditors' Remuneration	4,119	4,336
Operating Leases: Hire of Equipment	4,666	5,427
Depreciation - Owned Assets	13,162	10,495
Depreciation - Leased Assets	1,851	4,501
	=====	=====
and after crediting:		
Interest Receivable	12,250	13,237
	=====	=====

FERNHILL MANOR SCHOOL LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

6. TAXATION

The company is registered with the Charity Commissioners as an educational charity and, in accordance with Section 505 of the Income and Corporation Taxes Act 1988, is exempt from taxation insofar as income is applied to Charitable purposes only.

7. TANGIBLE FIXED ASSETS

	Total	Freehold Property	Furniture, Fittings and Equipment	Heating Installation	Fire Precaution Work
	£	£	£	£	£
<b>COST</b>					
1 September 1993	1,008,766	777,035	119,545	28,088	13,554
Additions	21,862	-	2,643	-	-
Disposals	(9,510)	-	-	-	-
1 August 1994	1,021,118	777,035	122,188	28,088	13,554
<b>DEPRECIATION</b>					
1 September 1993	387,707	194,416	105,135	25,130	13,462
Charge for the Year	15,013	-	4,263	2,809	63
31 August 1994	402,720	194,416	109,398	27,939	13,525
<b>NET BOOK VALUE</b>					
31 August 1994	618,398	582,619	12,790	149	29
31 August 1993	621,059	582,619	14,410	2,958	92

	Phase IV Development	Minibus	Swimming Pool	Leased Office Computer	Leased Equipment	School Computers
	£	£	£	£	£	£
<b>COST</b>						
1 September 1993	9,510	29,320	8,674	19,138	3,902	-
Additions	-	-	-	-	-	19,219
Disposals	(9,510)	-	-	-	-	-
31 August 1994	-	29,320	8,674	19,138	3,902	19,219
<b>DEPRECIATION</b>						
1 September 1993	-	21,678	8,212	17,792	1,882	-
Charge For the Year	-	1,910	273	1,346	505	3,844
31 August 1994	-	23,588	8,485	19,138	2,387	3,844
<b>NET BOOK VALUE</b>						
31 August 1994	-	5,732	189	-	1,515	15,375
31 August 1993	9,510	7,642	462	1,346	2,020	-

FERNHILL MANOR SCHOOL LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

8. STOCKS	1994	1993
	£	£
Goods held for Resale	5,696	6,447
Consumables	2,659	2,978
	-----	-----
	8,355	9,425
	=====	=====

9. DEBTORS	1994	1993
	£	£
Fees and Extras	17,944	24,687
Other Debtors	37,043	3,323
Prepayments	17,925	14,475
Income Tax	-	64
	-----	-----
	72,912	42,549
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1994	1993
	£	£
Fees Received in Advance	84,852	95,270
Other Creditors	15,110	8,058
Accruals	8,091	12,454
Finance Lease (See Note 13)	443	1,406
Other Tax and Social Security	19,156	-
	-----	-----
	127,652	117,188
	=====	=====

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1994	1993
	£	£
Finance Lease (See Note 13)	1,108	1,551
	=====	=====

12. CONSTITUTION OF THE COMPANY

The company is limited by guarantee, and each member is under covenant to contribute a sum not exceeding one pound sterling in certain circumstances as set out in clause 6 to the Memorandum of Association.

The number of members is 9. (1993 : 12)

FERNHILL MANOR SCHOOL LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

13. OBLIGATIONS UNDER FINANCE LEASES	1994	1993
	£	£
Payable in Year Ending:		
31 August 1994	-	2,049
31 August 1995	554	554
31 August 1996	554	554
31 August 1997	554	554
31 August 1998	278	278
	-----	-----
	1,940	3,989
Less Finance Charges Allocated to Future Periods	389	1,032
	-----	-----
	1,551	2,957
	=====	=====
Summary:		
Current Liability	443	1,406
Non-current Liability	1,108	1,551
	-----	-----
	1,551	2,957
	=====	=====

The finance leases are secured on the assets to which they relate.

OBLIGATIONS UNDER OPERATING LEASES

For operating leases, payments committed to be made during the next year:

	£	£
Operating Leases Expiring:		
Within Two to Five Years	5,730	5,730
	=====	=====
After Five Years	2,315	2,315
	=====	=====

14. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 1994 or 31 August 1993.

15. OTHER FINANCIAL COMMITMENTS

There were no other financial commitments at 31 August 1994 or 31 August 1993.

16. POST BALANCE SHEET EVENT

Fernhill Manor School Ltd (FMS) exchanged contracts on 23rd May 1995 to purchase the freehold property and land known as Edinburgh House currently rented and occupied by Edinburgh House School Ltd (EHS). FMS will also shortly exchange contracts to purchase the business of EHS.

FMS is currently investigating the sale of plots of land on the existing FMS site to assist in the purchase and redevelopment of the newly acquired EHS site.

The new school will from September 1995 operate under the name of the Ballard Lake Schools. The preparatory school will operate from the newly acquired and developed EHS site and the senior school from the existing FMS site.